



# WASHINGTON STATE ROAD USAGE CHARGE

*WSTC Recommendations and Final  
Report*



Washington State  
Transportation Commission

December 17, 2019  
Olympia, Washington

# TOPICS FOR WSTC REVIEW & ACTION

Jeff Doyle  
Project Manager  
D'Artagnan Consulting

- Update on Recent WA RUC Activities  
*[Information]*
- Review of Previous Findings and Discoveries  
*[Information]*
- Recap of Preliminary WSTC Recommendations  
*[Information]*
- WSTC Final Recommendations *[Action]*
- WA RUC Final Report Development *[Action]*

# STATUS OF WSTC DECISION-MAKING

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- ✓ **2012 – September 2019:** throughout the past seven years, WSTC has been briefed on WA RUC project and has issued annual reports to the Legislature, Governor and where appropriate, FHWA.
- ✓ **October 2019:** WSTC formally received the Steering Committee report, including their findings, conclusions, and technical recommendations.

## Today:

- ***Review and acknowledge key findings and discoveries from previous reports and deliverables (2012 – October 2019)***
- ***Discuss and decide final recommendations*** to include in Final Report to be drafted and transmitted by January 13, 2020 to Governor, Legislature, and FHWA

# UPDATE ON RECENT ACTIVITIES

Jeff Doyle  
D'Artagnan Consulting

Ara Swanson  
EnviroIssues

Allegra Calder  
BERK Consulting

- Steering Committee Pilot Project Report
- STSFA Grant Proposal: *Forward Drive* Project
- Communications & Engagement

# STEERING COMMITTEE PILOT PROJECT REPORT

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Jeff Doyle  
D'Artagnan Consulting

# STSFA GRANT PROPOSAL: *FORWARD DRIVE* PROJECT

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Jeff Doyle  
D'Artagnan Consulting

# COMMUNICATIONS AND ENGAGEMENT

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Allegra Calder  
BERK Consulting

Ara Swanson  
EnviroIssues

# OVERALL COMMUNICATIONS GOALS

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**Inform and educate the public.**



**Recruit participants into the pilot project from across the state.**



**Generate broad understanding for the pilot project.**



**Cultivate balanced and accurate media coverage.**



**Assess public opinion before and throughout the course of the pilot.**



# OVERVIEW OF PILOT PROJECT PUBLIC AND PARTICIPANT ENGAGEMENT TO-DATE

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**2,000** test drivers in a year-long pilot



**3** participant surveys, **6** focus groups



**60** briefings, speaking engagements, listening sessions



**2,200+** incoming emails and phone calls via the project help desk

# OVERVIEW OF PILOT PROJECT

## PUBLIC AND PARTICIPANT ENGAGEMENT TO-DATE, cont.

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**11** newsletter updates sent to **5,780+** interest list subscribers



**100+** instances of earned media



Project website received **111,000+** pageviews from **44,600+** users



**2,097** comments received in October – November 2019 regarding the WSTC preliminary recommendations

# HIGHLIGHTS FROM PARTICIPANT SURVEYS

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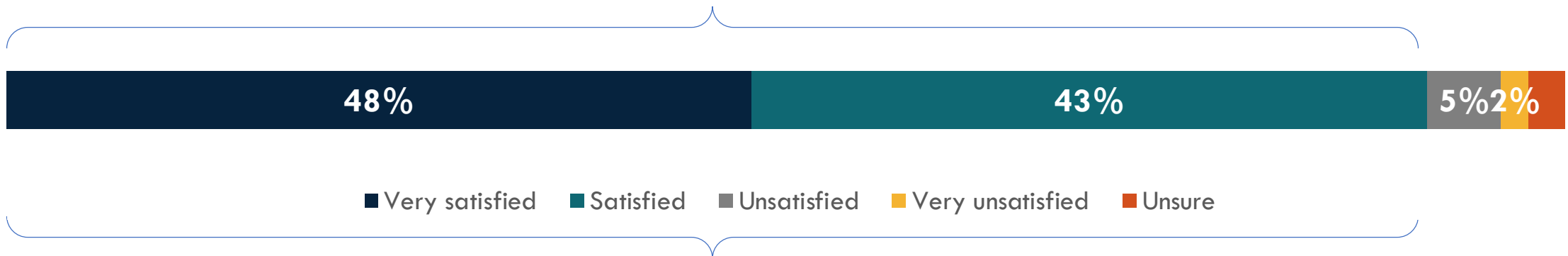
	Survey 1 <i>Spring 2018</i>			Survey 2 <i>Summer 2018</i>			Survey 3 <i>Winter 2019</i>		
	Invited	Completes	Rate	Invited	Completes	Rate	Invited	Completes	Rate
<b>Total</b>	2,048	1,669	<b>81.5%</b>	2,106	1,569	<b>74.5%</b>	2,009	1,491	<b>74.2%</b>

*76.7% average completion rate from 2,000+ participants*

# HIGHLIGHTS FROM PARTICIPANT SURVEYS

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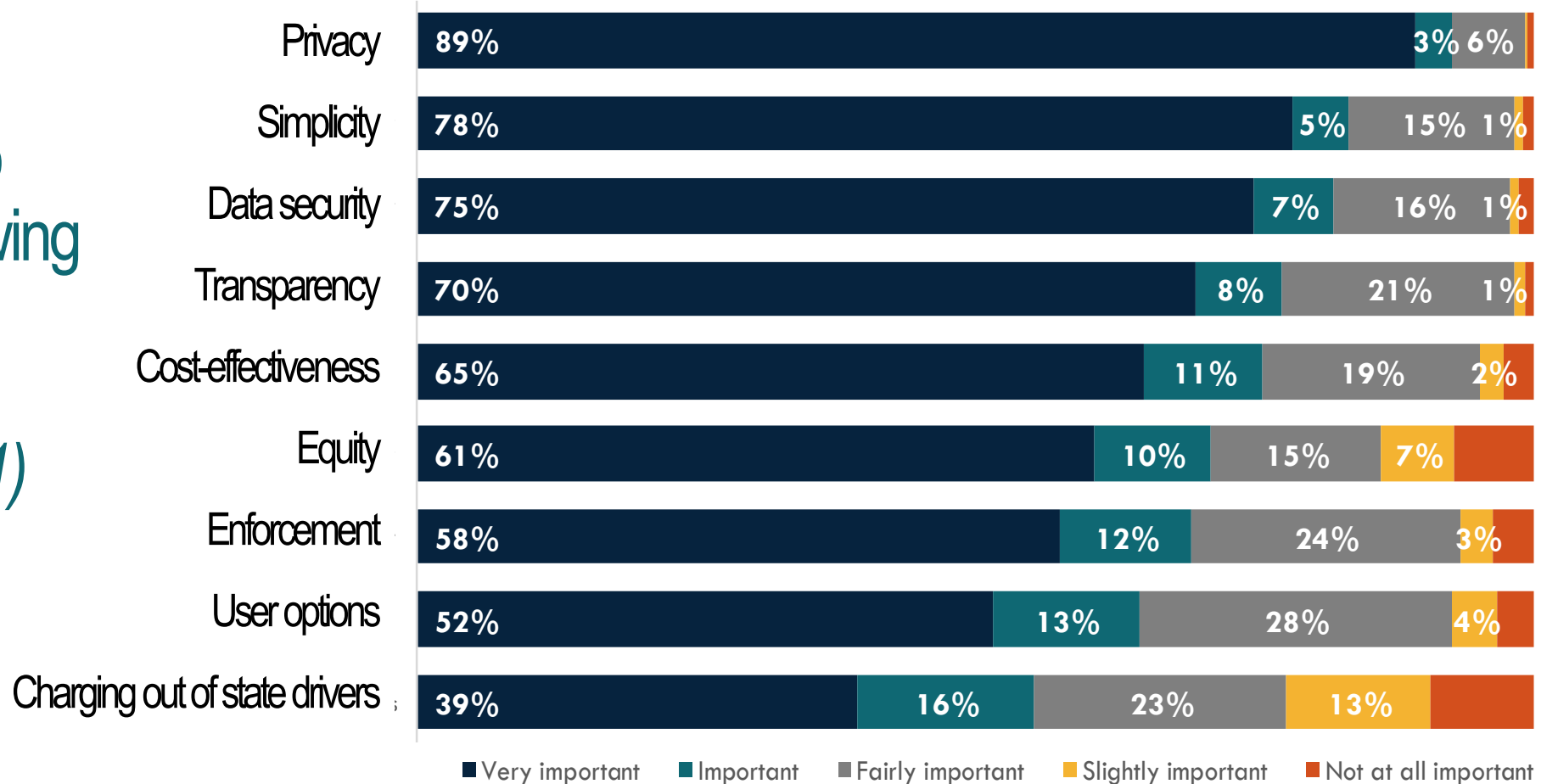
Thinking about your full experience with the RUC Pilot,  
how satisfied were you overall? (*n*=1,491)



**91% were satisfied or very satisfied**

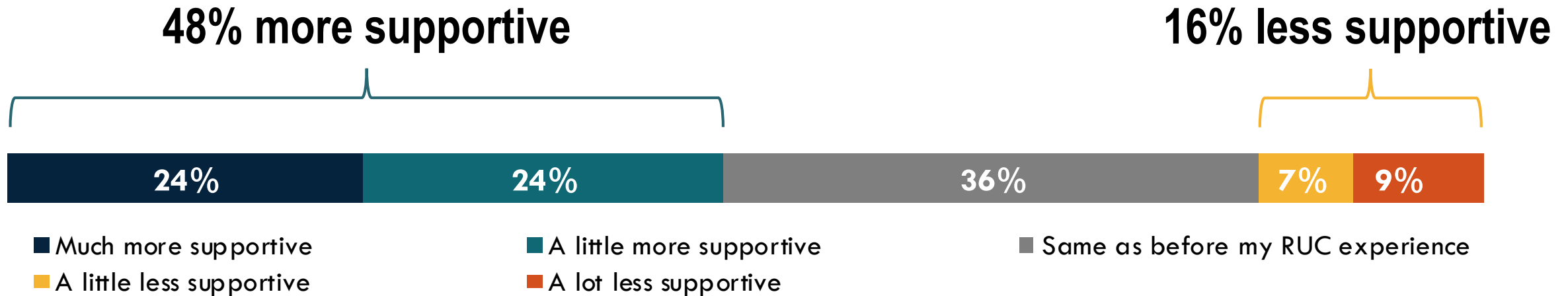
# HIGHLIGHTS FROM PARTICIPANT SURVEYS

How important to you are the following principles for a potential RUC system: (*n*=1,491)



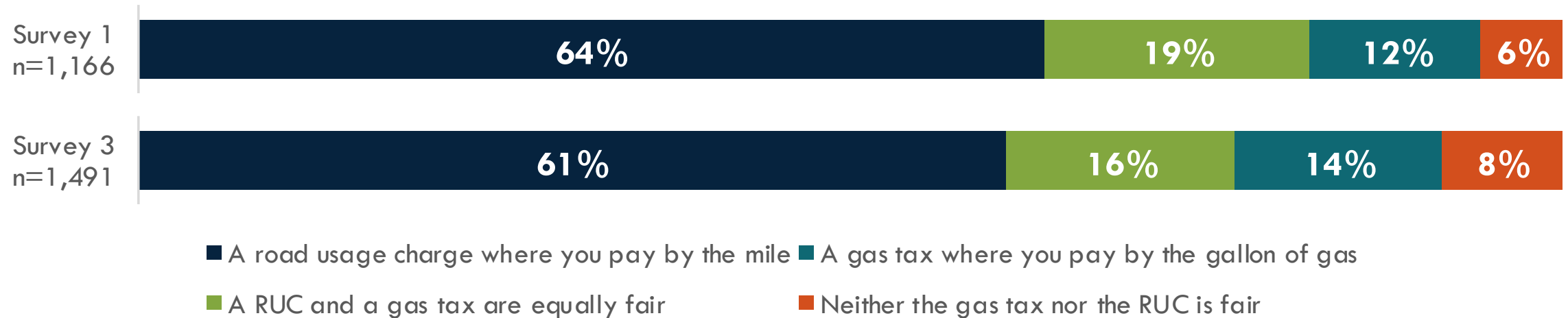
# HIGHLIGHTS FROM PARTICIPANT SURVEYS

Based on your experience in the pilot, how has your attitude towards a RUC system changed? (*n*=1,491)



# HIGHLIGHTS FROM PARTICIPANT SURVEYS

Which transportation funding approach do you think is more fair?



# HIGHLIGHTS FROM PARTICIPANT SURVEYS

Fairness aside, knowing what you know today, which method to fund transportation would you prefer?

Survey 1  
n=1,670



Survey 3  
n=1,482

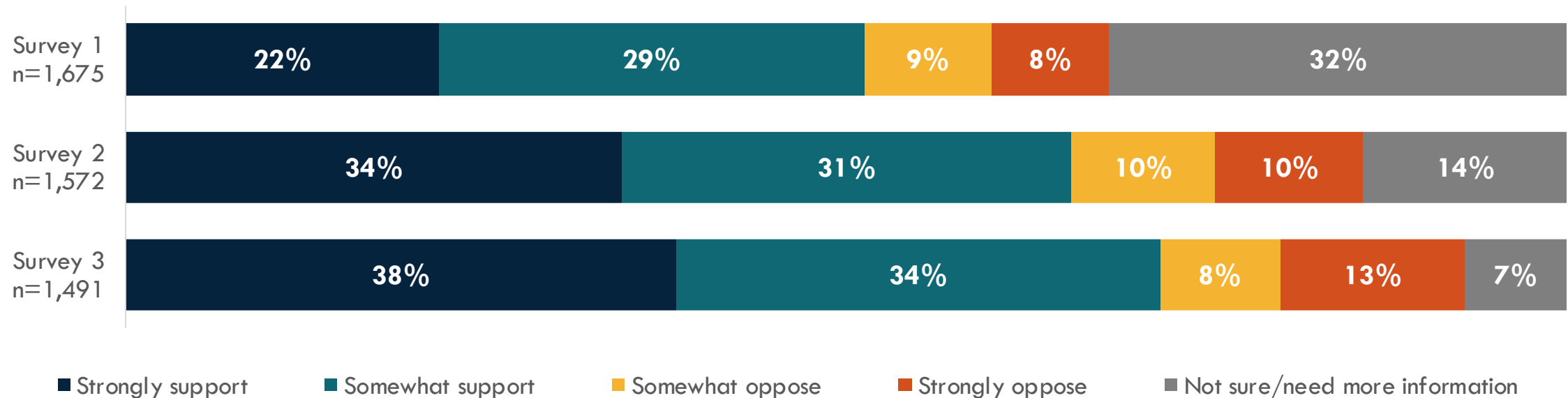


- A road usage charge where you pay by the mile
- Equally prefer a RUC or gas tax
- A gas tax where you pay by the gallon of gas
- Don't prefer either a gas tax or RUC
- Not sure/need more information (please specify)

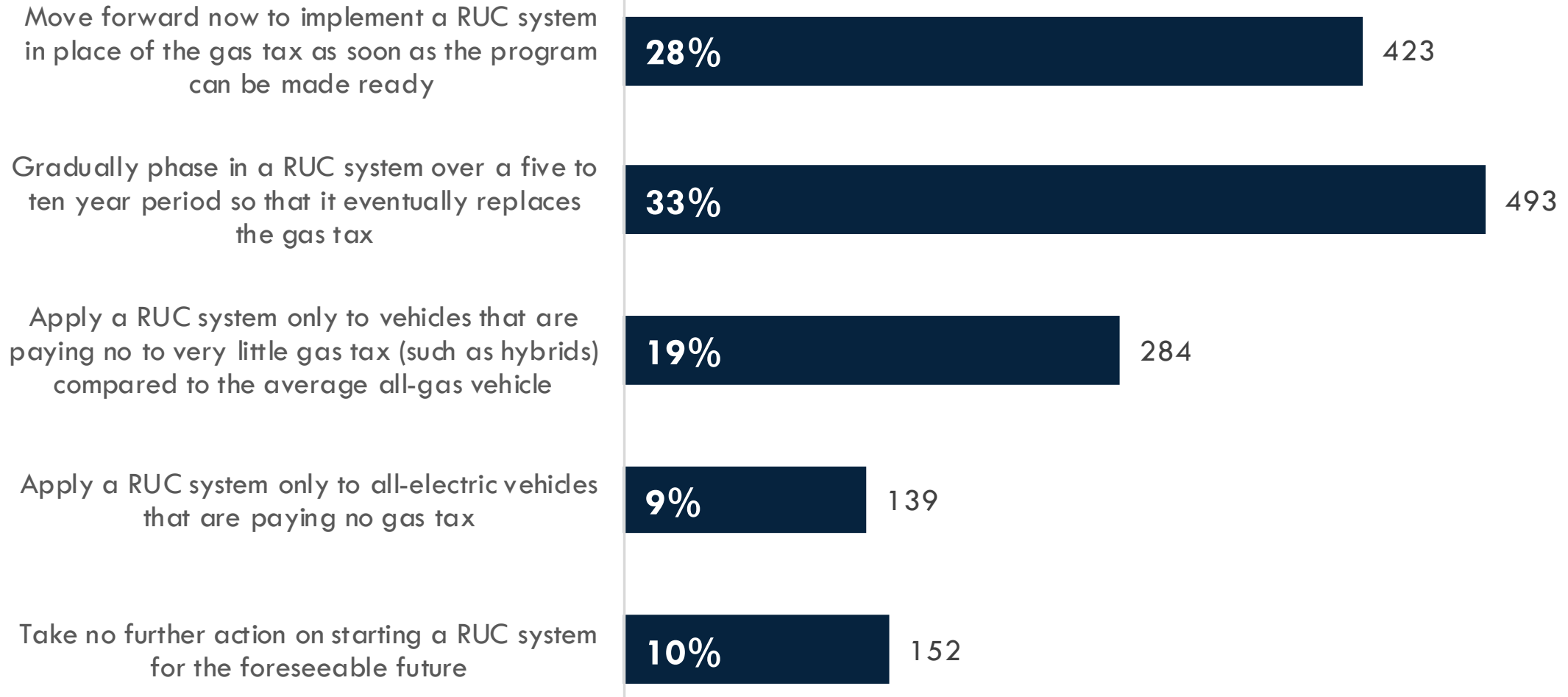


# HIGHLIGHTS FROM PARTICIPANT SURVEYS

At this point, how do you feel about implementing a road usage charge as a replacement to the gas tax in Washington to fund transportation infrastructure?



# WHICH OF THE FOLLOWING BEST REPRESENTS YOUR ADVICE TO ELECTED OFFICIALS AS THEY CONSIDER THE NEXT STEPS IN IMPLEMENTING A RUC SYSTEM STATEWIDE:



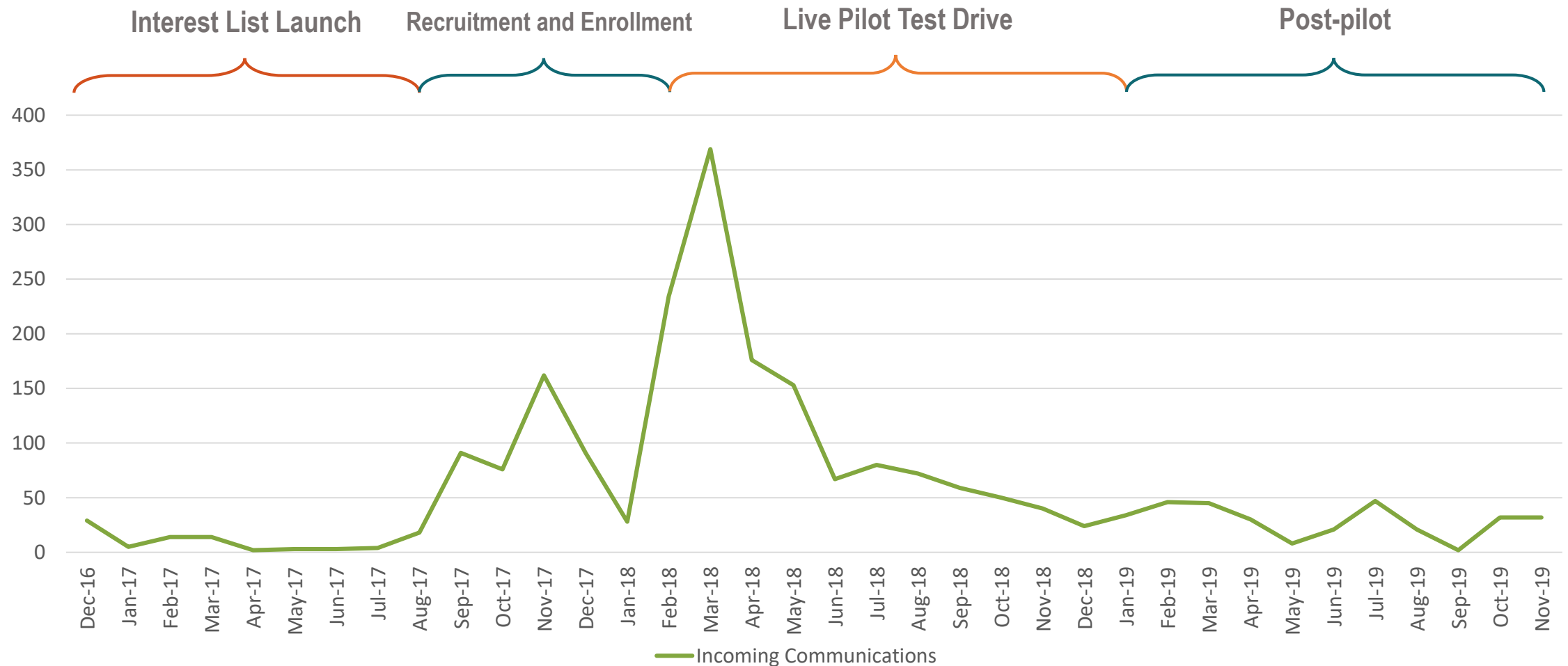
# HIGHLIGHTS FROM PARTICIPANT FOCUS GROUPS

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- 51 test drivers participated; most participants were **accepting of the RUC** and think it can work
- Overall, **most participants were having a good experience in the pilot**
- Some concern and questions about how the system will work at a **statewide scale** (*implementation and administration*)

# HIGHLIGHTS FROM THE WA RUC HELP DESK INCOMING COMMUNICATIONS (FREQUENCY)



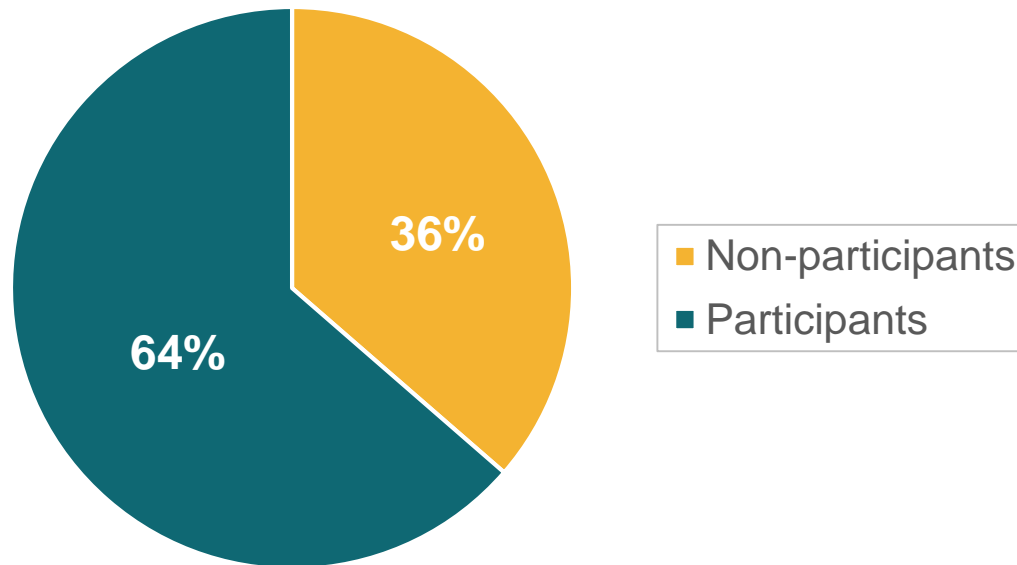
Total incoming communications: 2,248

# HIGHLIGHTS FROM THE WA RUC HELP DESK

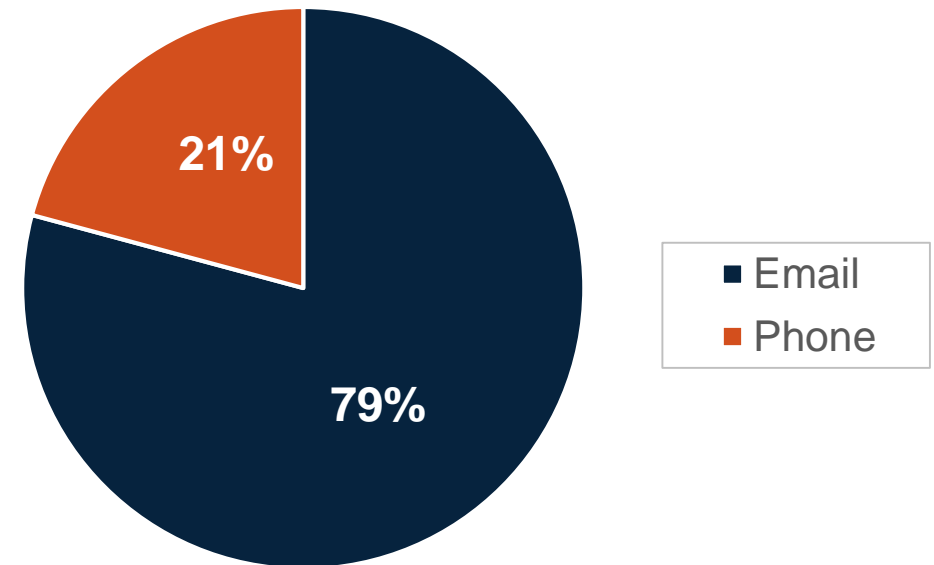
## WHO HAVE WE HEARD FROM?

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*Incoming communications by user type*



*Communications received from all users by communication type*



# MOST COMMON HELP DESK TOPICS

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## **Recruitment / Enrollment**

- Enrollment inquiries
- Policy, implementation
- General RUC inquiry
- Vehicle weight

## **Live Test Drive**

- Mileage reporting method
- DriveSync transfer
- General RUC inquiry
- Enrollment inquiries
- Survey/incentives

# WSTC PRELIMINARY RECOMMENDATIONS - PUBLIC COMMENT OPPORTUNITY

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***What should the WSTC consider when making recommendations about road usage charging?***

- Online public comment period from Oct. 30 – Nov. 15

# WSTC PRELIMINARY RECOMMENDATIONS - PUBLIC COMMENT OPPORTUNITY

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## Response Snapshot

- **2,097** complete responses
- **15.3%** from pilot participants
- **19.7%** of the comments received related to the preliminary recommendations



# WSTC PRELIMINARY RECOMMENDATIONS - PUBLIC COMMENTS

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## Top Questions and Concerns

- Implementation
- Privacy
- Equity / Fairness
- Compliance / Administrative Costs
- Vehicle Type

# CONSISTENCY IN COMMENTS OVER TIME

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**Over many opportunities to receive and respond to public questions and comments, road usage charge topics we've heard have remained consistent:**

- Privacy and data collection
- Compliance and administrative costs
- Fairness and equity
- Travel between states
- Operational viability

# REVIEW OF PREVIOUS WA RUC FINDINGS & DISCOVERIES

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Jeff Doyle  
Project Manager  
D'Artagnan Consulting

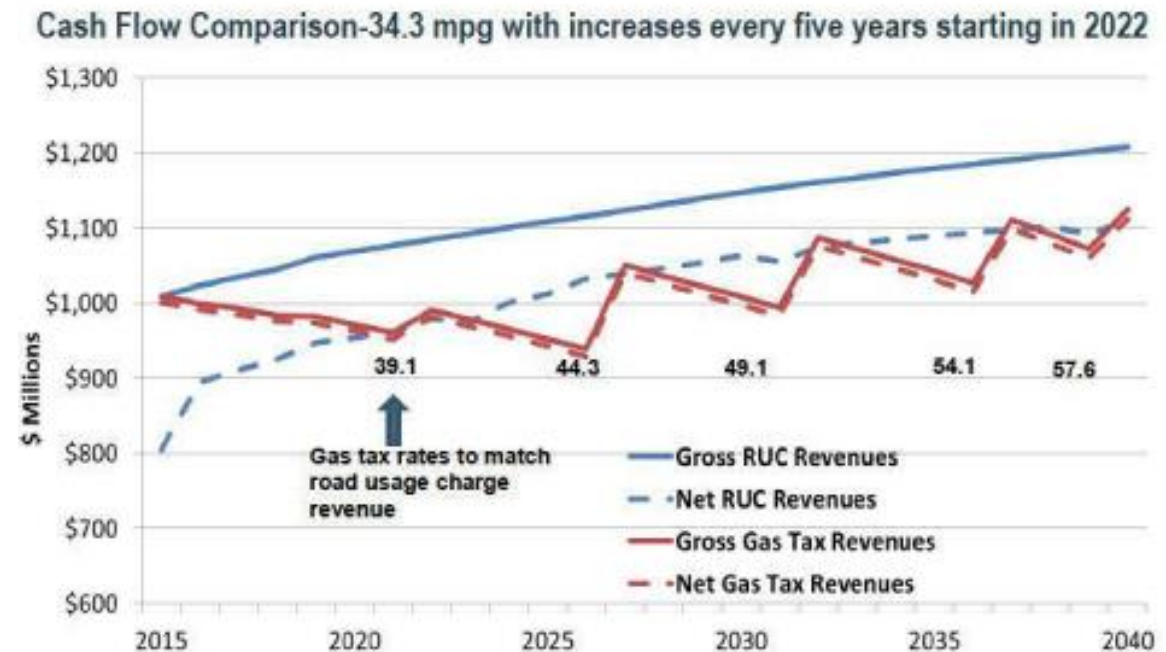
# TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

## January 2013: RUC found to be a feasible revenue mechanism for Washington

- ▶ WSTC agreed and recommended a work plan to the Legislature to continue assessing RUC.

**October 2013: Analysis of gas tax base case (periodic increases to make up for revenue shortfalls)** shows gas tax would need to be increased 1.5 cents every year through 2040 to deliver same revenue as RUC.

- ▶ WSTC received results, moved forward with recommendation for continued RUC research



# TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

## December 2013: Established 13 Guiding Principles for a RUC system in Washington

Principle	Description
Transparency	A RUC system should provide transparency in how the transportation system is paid for.
Complementary policy objectives	A RUC system should, to the extent possible, be aligned with Washington's energy, environmental, and congestion management goals.
Cost-effectiveness	The administration of a RUC system should be cost effective and cost efficient.
Equity	All road users should pay a fair share with a RUC.
Privacy	A RUC system should respect an individual's right to privacy.
Data security	A RUC system should meet applicable standards for data security and access to data should be restricted to authorized people.
Simplicity	A RUC system should be simple, convenient, transparent to the user, and compliance should not create an undue burden.

# TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

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## December 2013: Established 13 Guiding Principles for a RUC system in Washington

Principle	Description
Accountability	A system should have clear assignment of responsibility and oversight and provide accurate reporting of usage and distribution of revenue collected.
Enforcement	A RUC system should be costly to evade and easy to enforce.
System flexibility	A RUC system should be adaptive, open to competing vendors, and able to evolve over time.
User options	Consumer choice should be considered wherever possible.
Interoperability and cooperation	A Washington RUC system should strive for interoperability with systems in other states, nationally, and internationally, as well as with other systems in Washington. Washington should proactively cooperate and collaborate with other entities that are also investigating RUC.
Phasing	Phasing should be considered in the deployment of a RUC system.

# TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

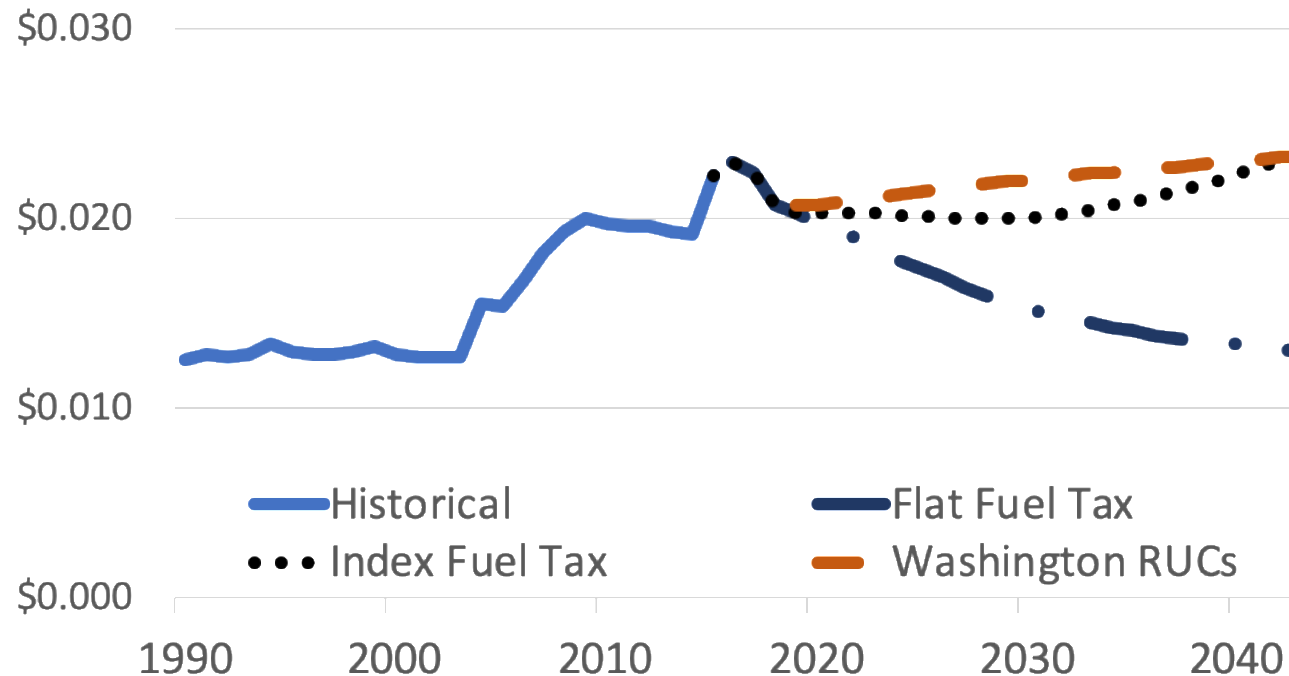
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## **December 2013:** Established 13 Guiding Principles for a RUC system in Washington:

- ▶ *WSTC adopted each of these principles and included them in their report to the Legislature. In their report, WSTC further recommended continued research into policy, technical and public acceptance issues.*

# TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

**January 2014:** Business case evaluation shows RUC outperforms gas tax even with higher cost of collections.



- ▶ WSTC received report, concurred and recommended continued development of RUC.



## TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

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**November 2014: Study of multi-state RUC** report identified several methods to collect RUC from interstate travelers.

- ▶ WSTC received report and recommended testing interstate RUC as part of a future demonstration project

**January 2015: Fiscal and Equity Implications for Urban and Rural Drivers** report found that:

- Miles driven by rural drivers as compared to urban and suburban was not significantly different
  - Rural drivers would financially benefit from RUC, on average paying slightly less than under the current gas tax, due to the predominance of less fuel-efficient vehicles in rural areas
  - Individual financial impacts of RUC, as compared to the gas tax, will be determined by a vehicle's MPG – not by how far it drives.
- ▶ WSTC issued this report to the Legislature and recommended moving forward with testing RUC

## TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

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**October 2019: Steering Committee issued their Final Pilot Project report**, recapping several years of public engagement, public opinion research, pilot design, pilot operations, evaluation of results, and policy analysis. The report makes several design recommendations and offers a range of findings for a prospective future RUC system. WSTC has been previously briefed on these findings and has received and accepted the Steering Committee's report, without exception.

## TIME CAPSULE: PRIOR FINDINGS & DISCOVERIES (2012-19)

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*WSTC acknowledges these previous findings and discoveries from 2012 through October 2019 serve as a foundation for our current work and carries them forward as findings to be included in the WSTC's WA RUC Assessment Final Report to the Governor, Legislature and FHWA.*

# RECAP OF PRELIMINARY WSTC RECOMMENDATIONS (OCTOBER 15, 2019)

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Jeff Doyle  
Project Manager  
D'Artagnan Consulting

# RECAP OF WSTC PRELIMINARY RECOMMENDATIONS (issued October 2019)

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- R1** Recommend implementation options that allow RUC to gradually scale up, offering drivers an opportunity to try the system and recommend further improvements while RUC is still in an early-implementation stage.
- R2** Recommend that additional research be conducted (alone or in collaboration with other states) on differential RUC rates based on driver, vehicle, or infrastructure characteristics.
- R3** Recommend research be conducted in collaboration with other states that are implementing RUC to better understand compliance gaps and potential enforcement measures.
- R4** Recommend additional time and appropriate testing grounds (i.e., limited number of vehicles) to improve RUC before pursuing any wider statewide implementation.
- R5** Recommend that in an Initial start-up stage of RUC, compliance and enforcement mechanisms must be tested and developed.
- R6** Recommend that existing delivery mechanisms (e.g., public-private partnerships) be considered to most efficiently develop a RUC system that reduces the cost of collections.

# RECAP OF WSTC PRELIMINARY RECOMMENDATIONS (issued October 2019)

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- R7** Recommend that cost reduction strategies be tested on a limited set of vehicles in an Initial start-up stage of RUC.
- R8** Recommend that border-area testing be conducted in an Initial start-up stage of RUC.
- R9** Recommend that ODOT's OReGO program be engaged to further explore bi-state RUC solutions for frequent WA-OR travelers.
- R10** Recommend specific changes in Washington statutes that protect personal privacy in a RUC program.
- R11** Recommend testing of new personal privacy protections during an Initial start-up stage of RUC.
- R12** Recommend that state agency vehicles be utilized as test subjects for privacy protection testing.
- R13** Recommend that during a transitional period while the gas tax remains in place, the same policy-setting and oversight roles between the Legislature, WSTC, and other agencies and the private sector should be retained.

# RECAP OF WSTC PRELIMINARY RECOMMENDATIONS (issued October 2019)

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- R14** Recommend alternative RUC transition scenarios for legislative consideration in 2020 that specifically consider:
- Participants' preferences for implementation time frame and vehicles subject to RUC;
  - Advent of electric and high MPG vehicles, their effects on revenue, and current programs to incentivize adoption;
  - The need for continued development and testing of a RUC system before any wide-scale implementation;
  - *Forward Drive* project timing, which is aimed at reducing the cost of collections for RUC; and
  - The availability of state fleet vehicles as part of an Initial start-up stage for RUC.
- R15** Expenditures of RUC revenue should be made subject to Amendment 18 (restricted to highway purposes).

## NEW PROPOSED RECOMMENDATION #16

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- R16** Current programs that receive gas tax refunds attributable to non-highway activities should continue receiving their same share of funding during the transitional period to RUC (expected to be at least 10 to 25 years), since the state gas tax will remain in place during this transition.



# PROPOSED RECOMMENDATIONS (EASIER READING VERSION)

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## Transitioning to a RUC

- Take a slow and gradual approach to introducing road usage charging (RUC) in Washington, including a start-up phase to help inform a transition plan before there is broad, fleetwide adoption in the future [R1, R4].
- A start-up phase should include vehicles that pay little or no gas tax: plug-in electric and hybrid vehicles, which currently pay flat annual fees regardless of miles driven [R14]. This will allow the state to continue to develop and test a RUC for at least five years before considering fleetwide implementation.
- Include state-owned vehicles in the start-up phase to test:
  - New approaches to privacy protection [R11, R12]
  - RUC compliance and enforcement [R5]
  - Travel between states [R8]
  - Opportunities to reduce operational costs [R6, R7]
  - Improving the driver experience in transitioning away from the gas tax [R1]

# PROPOSED RECOMMENDATIONS, (EASIER READING VERSION)

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## Key state policies and considerations needed for a RUC system

- Implement privacy protection measures in state law specific to a RUC system [R10].
- Restrict RUC revenues to highway-related expenditures by making RUC subject to the 18th Amendment of the Washington Constitution [R15].

## Continue researching key topics over the next couple of years

- Assess potential equity impacts of RUC on communities of color, low-income households, rural communities, vulnerable populations, and displaced communities. [Legislative budget proviso]
- Continue assessing RUC on a broader scale including testing new mileage reporting options, assessing different approaches to RUC rate-setting and how to maximize compliance [R2, R4].
- In collaboration with other states, conduct additional research on different approaches to reducing administrative and operational costs of RUC, assess how RUC would be applied efficiently to cross-border travel and assess compliance gaps and potential enforcement measures [R2, R3, R7, R9].

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FOR FURTHER DISCUSSION:  
ANY OTHER PROPOSED RECOMMENDATIONS?

# WSTC RECOMMENDATIONS

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Jeff Doyle  
D'Artagnan Consulting

## PROPOSED ADOPTION BY CONSENSUS (single vote of WSTC) (1 of 3)

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- R1** Recommend implementation options that allow RUC to gradually scale up, offering drivers an opportunity to try the system and recommend further improvements while RUC is still in an early-implementation stage.
- R2** Recommend that additional research be conducted (alone or in collaboration with other states) on differential RUC rates based on driver, vehicle, or infrastructure characteristics.
- R3** Recommend research be conducted in collaboration with other states that are implementing RUC to better understand compliance gaps and potential enforcement measures.
- R4** Recommend additional time and appropriate testing grounds (i.e., limited number of vehicles) to improve RUC before pursuing any wider statewide implementation.
- R5** Recommend that in an Initial start-up stage of RUC, compliance and enforcement mechanisms must be tested and developed.
- R6** Recommend that existing delivery mechanisms (e.g., public-private partnerships) be considered to most efficiently develop a RUC system that reduces the cost of collections.

## PROPOSED ADOPTION BY CONSENSUS (single vote of WSTC) (2 of 3)

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- R7** Recommend that cost reduction strategies be tested on a limited set of vehicles in an Initial start-up stage of RUC.
- R8** Recommend that border-area testing be conducted in an Initial start-up stage of RUC.
- R9** Recommend that ODOT's OReGO program be engaged to further explore bi-state RUC solutions for frequent WA-OR travelers.
- R10** Recommend specific changes in Washington statutes that protect personal privacy in a RUC program.
- R11** Recommend testing of new personal privacy protections during an Initial start-up stage of RUC.
- R12** Recommend that state agency vehicles be utilized as test subjects for privacy protection testing.
- R13** Recommend that during a transitional period while the gas tax remains in place, the same policy-setting and oversight roles between the Legislature, WSTC, and other agencies and the private sector should be retained.

## PROPOSED ADOPTION BY CONSENSUS (single vote of WSTC) (3 of 3)

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- R14** Recommend alternative RUC transition scenarios for legislative consideration in 2020 that specifically consider:
- Participants' preferences for implementation time frame and vehicles subject to RUC;
  - Advent of electric and high MPG vehicles, their effects on revenue, and current programs to incentivize adoption;
  - The need for continued development and testing of a RUC system before any wide-scale implementation;
  - *Forward Drive* project timing, which is aimed at reducing the cost of collections for RUC; and
  - The availability of state fleet vehicles as part of an Initial start-up stage for RUC.
- R15** Expenditures of RUC revenue should be made subject to Amendment 18 (restricted to highway purposes).
- R16** Current programs that receive gas tax refunds attributable to non-highway activities should continue receiving their same share of funding during the transitional period to RUC (expected to be at least 10 to 25 years), since the state gas tax will remain in place during this transition.

# WA RUC FINAL REPORT DEVELOPMENT

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Jeff Doyle  
Project Manager  
D'Artagnan Consulting



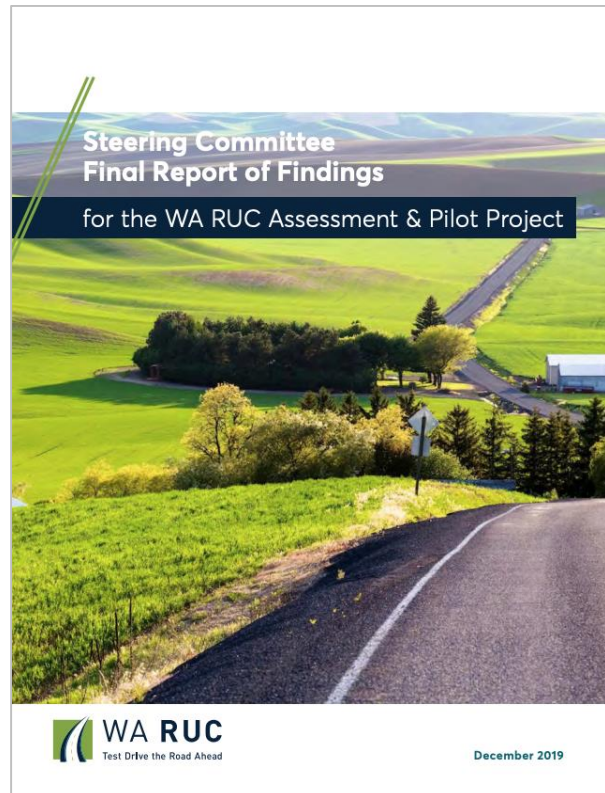
# WSTC FINAL REPORT – COMPREHENSIVE

## WSTC WA RUC ASSESSMENT FINAL REPORT AND RECOMMENDATIONS (Vol. 1)

To be drafted

**Due date:** January 13, 2020

## WA RUC STEERING COMMITTEE PILOT PROJECT REPORT (Vol. 2)



## WA RUC ASSESSMENT APPENDICES (Vol. 3)



# WSTC FINAL REPORT OUTLINE

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- 3 main sections (Parts)
- Executive Summary to be drafted last, after WSTC is satisfied with final draft report

## **Part 1:**

### **RUC as a Replacement for the Gas Tax**

1.1 Introduction *[1 page]*

1.2 The Situation: the gas tax is an unstable and declining source of funding for roadways *[3 pages]*

1.3 A Potential Solution: Road Usage Charge *[2 pages]*

1.4 Transitioning from the Gas Tax to a Road Usage Charge *[3 pages]*

# WSTC FINAL REPORT OUTLINE

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- Part 2 contains description of all previous work (2012-2017), findings and discoveries
- Part contains more detail on each of WSTC's recommendations, plus information on *Forward Drive* grant proposal, and the plan for further research on potential disparate equity impacts of RUC

## Part 2:

### **WSTC Findings & Recommendations**

2.1 Findings from WSTC's early exploration of RUC (2012 – 2017)

*[6 pages]*

2.2 WA RUC Pilot Project Discoveries and Findings (2018-2019)

*[20 pages]*

2.3 WSTC Action and Recommendations

*[13 pages]*

# WSTC FINAL REPORT OUTLINE

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- Part 3 contains other issues or concerns for legislative consideration

## **Part 3:**

### **Additional Considerations and Options**

**3.1** Concerns about future funding for outdoor recreation and conservation programs

*[1 page]*

**3.2** Options for structuring RUC to maximize its usefulness as a future source of bond financing

*[3 pages]*

**3.3** Protecting vehicle mileage and locational data from public disclosure: draft language *[2 pages]*

# WSTC PROCESS FOR DEVELOPING FINAL REPORT

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- Staff will begin report drafting immediately
- Draft will conform to the detailed outline and results of today's (December 17, 2019) meeting
- Draft final report will be shared with full commission for review
- Final draft will be reviewed and approved by those delegated to do so
- Staff will prepare Final Report for publication, making only technical corrections and adding graphics
- Final Report is scheduled for transmittal to Governor, Legislature and FHWA on January 13, 2020
- Print version will be available as soon after as possible

## NEXT STEPS

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Reema Griffith  
Executive Director  
WSTC